

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

DELPHI CORP., *et al.*,

Debtors.

Hearing Date: November 30, 2006  
Hearing Time: 10:00 a.m.

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**REPORT OF THE DELPHI JOINT FEE REVIEW COMMITTEE REGARDING  
APPLICATIONS FOR AWARD OF COMPENSATION AND REIMBURSEMENT OF  
EXPENSES FOR THE PERIODS FROM OCTOBER 8, 2005 THROUGH JANUARY 31,  
2006 AND FEBRUARY 1 THROUGH MAY 31, 2006, AND REQUEST THAT THE  
COURT RESOLVE DISPUTE WITH RESPECT TO FEE COMMITTEE STATEMENTS**

**I. INTRODUCTION**

The Delphi Joint Fee Review Committee (the “Fee Committee”) hereby respectfully submits its report (the “Report”) of its review of the Applications for Award of Compensation and Reimbursement of Expenses (the “Applications”), filed by various professionals (the “Professionals”) for the periods from October 8, 2005 through January 31, 2006 (the “First Fee Period”) and February 1 through May 31, 2006 (the “Second Fee Period”). Part II of the Report summarizes the Fee Committee’s recommendations with respect to various Applications after negotiations with the Professionals. Part III of the Report outlines disputes which the Fee Committee hereby submits to the Court for resolution. Part IV provides a summary of the fees incurred and expenses reimbursed by the estates for the First and Second Fee Periods and contains the Fee Committee’s request that the Court decline to release further hold back amounts at this time. Part V sets forth a schedule for Professionals’ submissions of fee applications and future hearing dates.

## II. RECOMMENDATIONS OF THE FEE COMMITTEE

### A. General Recommendations

The Fee Committee makes the following recommendations with respect to all of the Applications but has not requested any reductions in fees or expenses for these matters:

1. Professionals should ensure that time record entries contain adequate descriptions.

For example, entries that “reviewed documents” or “attended hearing” are not sufficiently descriptive for the Fee Committee to determine whether the time spent was beneficial to the estate. To the extent that this advice conflicts with direction given by the Debtors, Professionals should consult with the Fee Committee about acceptable descriptions.

2. The Fee Committee understands that multiple Professionals will attend meetings and hearings. However, whenever possible, time entries should state the role each Professional played in the meeting or hearing to allow proper analysis.

3. Non-working travel time is compensable at a maximum of 50% of the Professional’s hourly rate.

4. All Professionals should charge ten cents for photocopies.

5. Meals charged to the estates are capped at \$20.00 per meal even if individual Professionals have different internal standards.

6. Professionals should not “lump” time or expense records. This makes the Fee Committee’s work harder and requires possibly unneeded review and analysis by Professionals after submission of Fee Applications.

### B. Recommendations as to Specific Professionals

The Fee Committee has reviewed the Applications of the Professionals in the amounts listed in the following chart. As of the date of the Report, the Fee Committee has reached

agreement with the Professionals whose entries are printed in **bold type**, and requests that the Court approve the Applications in the reduced amounts shown. Any reductions will be taken from the hold back prior to release by the Court. The Fee Committee is in negotiations with the other Professionals with respect to their Applications and will submit an Amended Report on or before November 27, 2006. The Fee Committee has deferred recommendations on the Applications filed by Shearman & Sterling, Fried Frank, and Ernst & Young to the next fee hearing.

Name	Per.	Fee Request	Reduction	Award	Expense Req.	Reduction	Exp. Reimb.
Banner & Witcoff	1	\$29,580.15			\$411.95		
	2	\$41,786.16			\$552.66		
Blake Cassels	1	\$290,676.50			\$2,533.60		
	2	\$114,477.50			\$2,875.19		
Butzel Long	1	\$260,376.05			\$1,857.51		
	2	\$201,086.10			\$2,130.21		
Cadwalader	1	\$77,728.57			\$483.37		
	2	\$139,356.00			\$12,942.26		
Cantor Colburn	1	\$281,801.50			\$55,500.99		
	2	\$257,086.00			\$53,725.11		
Covington & Burling	1	\$490,281.00			\$20,653.23		

Name	Per.	Fee Request	Reduction	Award	Expense Req.	Reduction	Exp. Reimb.
Covington & Burling	2	\$551,937.00			\$22,773.74		
Deloitte Touche	1	\$4,131,506.08			\$4,660.98		
	2	\$7,675,269.92			\$0.00		
Dickinson Wright	1	\$8,973.50			\$0.00		
	2	\$172,133.50			\$81,835.21		
Ernst & Young	1	Deferred					
	2	Deferred					
Frank Gecker LLP	1	\$180,103.84			\$4,208.73		
Fried Frank	2	Deferred					
FTI	1	\$8,502,443.60			\$687,569.02		
	2	\$3,136,101.59			\$605,524.84		
Groom Law Group	1	\$127,500.30			\$5,087.96		
	2	\$241,278.30			\$10,591.75		
Grzelak, Kevin (1st & 2nd)		\$36,824.60			\$0.00		
Howard & Howard	1	\$98,553.00			\$19,710.70		
	2	\$197,421.00			\$10,006.89		
Jaeckle Fleischman	1	\$232,757.00			\$51,463.07		
	2	\$218,959.00			\$54,595.92		

Name	Per.	Fee Request	Reduction	Award	Expense Req.	Reduction	Exp. Reimb.
Jefferies	1	\$604,032.26			\$22,677.57		
	2	\$700,000.00			\$61,446.36		
KPMG	1	\$1,439,122.50			\$17,631.00		
	2	\$7,383,043.00			\$430,790.04		
Latham & Watkins	1	\$3,258,050.25			\$157,230.86		
	2	\$5,188,803.50			\$369,265.45		
Mayer Brown	2	\$504,263.82			\$13,458.94		
Mesirow	1	\$1,654,678.00			\$66,761.00		
	2	\$2,255,264.00			\$63,159.00		
O'Melveny Myers	1	\$1,322,746.50			\$90,169.23		
	2	\$3,118,474.00			\$874,459.13		
Price, Heneveld, Cooper	1&2	\$184,123.00			\$11,486.91		
<b>Quinn Emanuel</b>	<b>1</b>	<b>\$24,480.50</b>	<b>\$441.00</b>	<b>\$24,039.50</b>	<b>\$2,419.75</b>	<b>\$0</b>	<b>\$2,419.75</b>
	2	\$9,432.00			\$604.49		
Rader Fishman	1	\$82,674.00			\$63,923.00		
	2	\$80,524.75			\$74,483.92		
Rothschild	1	\$943,548.39			\$88,346.27		

Name	Per.	Fee Request	Reduction	Award	Expense Req.	Reduction	Exp. Reimb.
	2	\$1,000,000.00			\$62,200.96		
Skadden	1	\$9,200,920.00			\$622,420.00		
	2	\$11,310,231.00			\$825,854.00		
Steven Hall	1	\$409,161.25			\$0.00		
	2	\$182,193.75			\$0.00		
Thompson Hine	1	\$82,733.00			\$16,081.58		
	2	\$97,825.50			\$13,118.64		
Togut Segal & Segal	1	\$789,874.00			\$14,561.15		
	2	\$1,045,443.50			\$13,940.08		
Shearman & Sterling	1	Deferred					
	2	Deferred					
Warner Stevens	1	<b>\$322,376.00</b>	<b>\$5,535.50</b>	<b>\$316,840.50</b>	<b>\$14,929.31</b>	<b>\$105</b>	<b>\$14,814.31</b>
	2	\$502,652.50			\$23,618.63		
Wilmer Cutler	1	\$343,327.00			\$4,807.79		
	2	\$299,568.00			\$8,174.59		

### III. DISPUTES SUBMITTED FOR RESOLUTION BY THE COURT

There are no disputes to submit to the Court at this time.

**IV. TOTAL FEES AND EXPENSES INCURRED AND RECOMMENDATION AS TO RELEASE OF HOLDBACK**

To date, the Debtors' estates have incurred professional fees and expenses as follows:

PERIOD	FEES	EXPENSES	TOTAL
ONE	\$40,428,087.29	\$2,290,765.18	\$42,718,852.47
TWO	\$51,769,792.95	\$3,854,343.09	\$55,624,136.04
<b>TOTAL</b>	<b>\$92,197,880.24</b>	<b>\$6,145,108.27</b>	<b>\$98,342,988.51</b>

The Debtors have paid 80% of the fees and 100% of the expenses each month to the Professionals pursuant to the Monthly Compensation Order. In addition, the Fee Committee agreed, and the Court authorized, release of one-half of the hold back for the first two fee periods. The Fee Committee requests that the Court deny any further release of the hold back pursuant to Southern District of New York practice. The hold back should be released only at the conclusion of the cases.

**V. SCHEDULE FOR FUTURE FEE APPLICATIONS**

Pursuant to the Monthly Compensation Order and the Fee Committee Protocol, the Fee Committee has set the following schedule for the submission of Fee Applications to the Court, the Fee Committee and Legal Cost Control ("LCC") to ensure timely and efficient review:

<b>FEE PERIOD</b>	<b>DATES</b>	<b>APPLICATION DUE DATE</b>	<b>HEARING DATE AND TIME</b>
3	June - September 2006	November 30, 2006	March 22, 2007 10:00 a.m.
4	October 2006 - January 2007	March 31, 2007	June 21, 2007 10:00 a.m.
5	February - May 2007	July 31, 2007	October 25, 2007 10:00 a.m.

Any questions regarding the schedule or any other matter related to the Fee Committee or Fee Applications should be directed to [Fee.Committee@Delphi.com](mailto:Fee.Committee@Delphi.com).

WHEREFORE, the Fee Committee requests that the Court approve the Applications in the negotiated amounts, resolve any disputes, and grant other relief as is just.

Dated: New York, NY  
November 15, 2006

DELPHI FEE COMMITTEE

By: /s/ Alicia M. Leonhard  
Alicia M. Leonhard  
Attorney for the United States Trustee

By: /s/ David M. Sherbin  
David M. Sherbin  
Vice President & General Counsel  
Delphi Corporation